

# Hong Kong SAR

## Hong Kong-based CEOs

No of responses: 38

74% male, | 21% female

**79%** CEO of a single or multi-entity parent company

**3%** CEO of a country subsidiary within a multi-entity parent company

**13%** CEO of a product-oriented subsidiary within a multi-entity company

## The reinvention imperative

### An enduring imperative to reinvent

37% of Hong Kong-based CEOs believe the global economy will improve over the next 12 months, slightly lower than the Asia Pacific average (40%).

71% believe their companies will not be economically viable in the next decade, if they continue on their current path. This is 8% higher than Asia Pacific CEOs (63%).

	Hong Kong SAR 2024	Asia Pacific 2024
10 years or less	71%	63%
More than 10 years	24%	34%

All surveyed Hong Kong-based CEOs have taken at least some steps to change how they create, deliver, and capture value over the past five years.

Over that timeframe, 68% took at least one action that had a large or very large impact on their company's business model.

### Pressures and threats

In the next 12 months, Hong Kong-based CEOs see threats slightly different from Asia Pacific CEOs. They feel more exposed to health risk, cyber risk and social inequality.

Threat	Hong Kong SAR 2024	Asia Pacific 2024
Health risk	24%	14%
Cyber risk	21%	16%
Social inequality	16%	6%
Geopolitical conflict	13%	18%
Inflation	13%	20%
Macroeconomic volatility	11%	21%
Climate change	3%	11%

Note: Only showing 'Highly and extremely exposed'

On average, Hong Kong-based CEOs identify similar barriers to reinvention when compared to their Asia Pacific counterparts. Top three barriers (to a moderate extent or more) for them are:

No.	Hong Kong SAR	Asia Pacific
1	Regulatory environment (79%)	Regulatory environment (66%)
2	Lack of technological capabilities in my company (64%)	Lack of workforce skills (60%)
3	Supply chain instability (57%)	Supply chain instability (57%)

## Looming existential change

### Climate change a work in progress

- Hong Kong-based CEOs have undertaken some actions to mitigate climate change.
  - 58% are in progress/have invested in nature-based climate solutions.
  - 55% are in progress/have improved energy efficiency.
  - 56% are in progress/have implemented initiatives to upskill or re-skill our workforce to prepare them for climate-driven changes to our business model.
- However, around one-fifth don't plan to pursue climate actions related to decarbonisation, climate adaptation, just transition and nature.
- Hong Kong-based CEOs cite the barriers to decarbonisation (at least to a moderate extent):
  - Lower returns for climate-friendly investments (52% vs. 61% in Asia Pacific)
  - Regulatory complexity (48% vs. 63% in Asia Pacific)
  - Lack of climate-friendly technologies for my sector (45% vs. 59% in Asia Pacific)
- When evaluating climate-friendly investments, 66% have accepted rates of return that were lower than for other investments (vs. 51% in Asia Pacific).

### The Generative Artificial Intelligence (GenAI) opportunity and challenge

- At least 55% of Hong Kong-based CEOs anticipate impacts within three years – including impacts to the workforce (vs. at least 57% in Asia Pacific).
- 68% agree GenAI will require most of their workforce to learn new skills in the next three years (vs. 76% in Asia Pacific).
- However, 42% report that they have not yet adopted GenAI across their companies (vs. 41% in Asia Pacific).
- At least 68% believe GenAI will increase efficiency for both themselves and their employees (vs. at least 65% Asia Pacific).
- At least 42% believe GenAI will help increase revenue and profitability (vs. 49% in Asia Pacific).
- However, 24% predict a reduction in headcount due to GenAI (vs. 26% in Asia Pacific).
- They agree that GenAI will increase cybersecurity risk (32% vs. 49% in Asia Pacific) and spread misinformation (32% vs. 44% in Asia Pacific).

### Additional data on surveyed companies

#### Ownership

**79%** privately-owned company

**21%** public company

#### Revenue

**47%** Less than US\$100 million

**45%** US\$100 million - Less than \$1 billion

#### Employees

**11%** fewer than 500

**3%** 10,000–24,999

**34%** 500–999

**3%** 25,000–49,999

**34%** 1,000–4,999

**3%** 50,000 or more

**13%** 5,000–9,999

#### Industry

**8%** financial services

**26%** technology, media and telecommunications

**32%** consumer markets

**24%** industrial, manufacturing and automotive

**11%** energy, utilities and resources

Note: Throughout this snapshot, not all figures will add up to 100% as a result of rounding percentages and the decision in certain cases to exclude the display of 'neither/nor', 'other', 'none of the above', 'don't know' and 'prefer not to say' responses.



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